

SHIFTING GEARS

THE CHANGING MEANING OF WORK IN MASSACHUSETTS, 1920-1980

GARDNER, MASSACHUSETTS

INTERVIEWEE: George Heywood

INTERVIEWER: Martha Norkunas

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TRANSCRIBER: Lynda Luden

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MN: Today is February 23, 1989 and I'm here with George Heywood at his home on Elm St.

GH: Is it on now?

MN: Um hmm.

GH: Well, approximately, around 1951, we decided to have an open house at the Gardner plant of the Heywood Wakefield Co., largely for the families of the employees, but we also invited city officials and certain other people who we thought would be interested. And we had a metal working tour and a wood working tour - two separate tours. And, I believe it went on for at least two days, possibly three, and we had employee guides to take people through in groups of approximately, not to exceed, 10 or 12 people. It was very well received and we had people from out of town where some of the employees lived and we did have some competitors in the lower Massachusetts area that were allowed to go through on the tour, also.

MN: Who were dying to see what you had.

GH: Yeah, who were dying to see, you know, what the place

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looked like, what equipment we had and what _____ (unintelligible) flow, and conveyors, etc. Should you shut that off now, I don't have anything else to say at the moment?

MN: Oh, no, I have one question about that. What, why did you decide to do such a tour?

GH: Uh, we thought it would be of great interest of the families of our employees to see where their working parent, whether it father or mother or both, were spending their working life. It was not done for our customers, it was done for the employees of the company. And it was patterned on an open house that American Optical had down Southbridge, Mass. which I attended to get some experience as far as how to set up and handle such an endeavor.

MN: You know, you can just forget it's on, sit back and relax because it's a good mike and picks it up nicely.

GH: Alright.

MN: One of the things that we couldn't figure out, I'm going to ask you some general questions before we get on the main track, when we were talking about the company is, we were trying to figure out who it's major competitors were, nationally and world wide, and how to situate the company in the world's furniture scene.

GH: Well, I would say first, that in the market place on the retail furniture floor, that's the way we sold, direct to, to furniture retailers, you could say that every furniture manufacturer was our competitor, and we were fighting for the consumer's dollar on the retail floor along with every other furniture manufacturer. You're talking about our competitors

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in the area, at that time, Nichols and Stone and S. Bent were competitors in the chair business, they did not make tables or case goods, so they competed with us only with chairs and, of course, they matched our cinnamon maple finish as close as they could.

MN: Was there a feeling of competition between the companies in Gardner?

GH: Well, those two companies, among other, were competitors, but I cannot say that they were real arch competitors, because they, at that time, only made chairs. Temple Stuart in Baldwinville was another competitor, they made dining room furniture at that time, but not bedroom, so they were, yes, they were very serious competitors in the, in the maple dining room area. But they had not at that time gotten into making bedroom furniture. (coughs).

MN: Would the presidents of the various Gardner companies ever get together and talk about common problems?

GH: No, it, it almost never happened. Another competitor in the area, of course, was Conant Ball, who made a complete package, as we did, of a bedroom, a dining room, and living room furniture, but eventually they changed from an Early American type of furniture to a more Contemporary style so they went out, after that change, really directly competitive with Heywood-Wakefield.

MN: What about nationally?

GH: But nationally, in our furniture design bracket, Early

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American, that was named Old Colony, we had some competitors in the south, of course, most of them, however, using some veneer in their product specifications, which we did not, we were all solid wood. But, of course, they were always lower priced because of the lower cost of operating plants in the South, the, most of them had more up to date plants than we had-- one or two story, and the use of veneer versus solid wood was a cost savings to them.

MN: And wasn't there a big chair manufacturer in Austria?

GH: Foreign competition did not really bother us all that much.

Toward the end of our operating, the Yugoslav imports in Early American type styling (clears throat) started to have an impact but, at that time, they were only in the lower end specification wise and accordingly priced wise, of the Early American business. Small tables and chairs that were not specification wise, equal to our, nor were their finishes the equal of ours. However, they were moving ahead and-reaching out to take more and more of the lower end of that business which I believe they continue to do today.

MN: And you appeal to the middle income family.

GH: Yes, our price bracket was medium to medium high.

MN: All right. Well, maybe we should move back and get into that touchy and complex issue of the union at the company, because that's something, you know, that we wanted to go over anyway, and you could tell me the story from your perspective.

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GH: Well, this is a subject that you and I are going to get into with my brother, John Heywood, who handled the labor negotiations at Heywood- Wakefield from the late 40's until the Gardner operation was closed in June of 1979, so I will comment on it now, but I think you will have a better and more detailed and a more complete picture of the situation after you and I meet with my brother sometime next month. The unions, the United Furniture Workers, which was then Local 154, here in Gardner, did not cause the company any serious problems during the war. We never had a strike or a work stoppage to my knowledge when World War II was on, and as I remember it, the first few years after the war, they did not, I don't remember that they caused us any great, serious problems. Of course, the first year after the war was taken up with converting the plant from war production back to civilian production, but starting in the 50's, they caused us a lot of problems. We had many walk outs, many strikes, the biggest one being in, I believe, 1956, and the plant was shut down from the end of September, until after Thanksgiving, and, I would say, would have to say in the 50's, that they were very, they caused us a lot of problems, they were a, definitely a destructive or negative influence on, on trying to improve the efficiency and particularly the productivity of the operation.

MN: Why the 50's? What had changed in the companies that caused the union to change it's position?

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GH: Nothing had really changed that much at all in the company. The same management was there in the 50's and up until 1966 that had been before and during the war period. But I think , during the war period the union realized that it would be against the best interests of the war effort to cause any serious interruptions in the production of the products at that time.

MN: In fact, I thought that's why the union came to Heywood-Wakefield during the war, to prevent strikes.

GH: No, the unions did not come to Heywood-Wakefield during the war to prvent strikes. Whoever told you that is completely wrong. As I remember it, the union won an election to represent the Heywood-Wakefield employees around 1941. Really, just before, or just about the time that we were starting to get into producing products for the war effort.

MN: Had they tried to organize at the company before that time?

GH: I don't know whether they had or not. If so, I'm not aware of it, of course, I wasn't around here at that time, I was, in 41 I was away in a college and from college I went into the service as did my brother, John, so we were not here at that time.

MN: But it wasn't something that you were aware of, anyway, that there had been union organizing activities at the company earlier and they'd been voted down. Obviously --

GH: Not that I'm aware of. We'll ask my brother, John, about this. I'm not aware of it. Can you stop it for a minute, I'm going to get a cup of -- - - Coming back to when the union

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won an election to represent the employees of Heywood-Wakefield Co. in Gardner, the United Furniture Workers, it is, I think, a fact that could be documented, that, that the president, Franklin Delano Roosevelt, was encouraging unionization with the thought that there would be, if the employees were represented by a union they would be more cooperative with regard to putting out a greater effort on war production and so forth. As far as management of Heywood-Wakefield was concerned that was a mistaken philosophy. The employees and the, and the company would have been better off without the union, that, that's the managements feeling on this matter. But they won an election and--

MN: And then what --

GH: --we were a law abiding company, of course, and so they won the right to represent the employees of Heywood-Wakefield Co. in Gardner.

MN: Was it then a closed shop after that election? Everyone had to belong to the union?

GH: For a quite a period of time, could have been at least, probably 10 years, possibly longer, it was an open shop. In other words those employees that did not want to belong to the union did not have to belong to the union. But, of course, unions do not like this at all, and every contract negotiation this would be on the table, and eventually, unfortunately, I believe that we became a closed shop, but I would like to review this with my brother John when we meet with him.

MN: But just, we'll talk again about it with your brother, but just for now, just to get your recollections so that I'll

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something to build on when we see him, then the, what we had left off just a moment ago, in the 1950's, you said that was when the union started to become discontent with the company. Someone else suggested to me that the wages had been very high during the war because they had been government contracts and afterwards, when the company was back to private production, the wages, you couldn't match, I mean the wages were artificially inflated, in a sense, during the war, and that might have cause some of the troubles in the '50's.

GH: No, I would not say that that was the case. I think the troubles in the 50's stemmed from the, the union feelings that they were not now restricted by any thoughts of patriotism and the war effort and so forth, and we're going to go out and get everything that we can possibly get and, of course, a basic tenet is that, you know, the union is collecting dues ,and they therefore are, feel a real compulsion to justify getting these dues from the employees so they're gonna strive very hard to get improvements and wages and fringe benefits to justify the dues that they're collecting from the employees.

MN: And was it an annual contract that had to be---

GH: It varied from times there'd be an annual contract, other times it'd be a two or three year contract. It wasn't consistently one or the other.

MN: Would you be present at the negotiations?

GH: My brother would be.

MN: How would that work?

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GH: Well, the union, local 154, United Furniture Workers, would elect a bargaining committee and they would sit down with a with management, with whoever the management selected to sit at the table and do the bargaining.

MN: And would they be Heywood-Wakefield employees? From the union?

GH: They would be Heywood-Wakefield employees plus the local business agent or agents, plural, of Local 154, United Furniture Workers. Like Tom Binnall and Rupert Taylor who were not employees of the company.

MN: And then what precipitated this 1956 strike?

GH: What precipitated the 1956 strike was that over the previous four or five years, or whatever period it was, the company unfortunately agreed that when we were introducing a new furniture line and until the piece rates were set on the new products the company would pay the employees the average of what they would previously be earning on piecework, or in other words what I believe was referred to as 100% of their average earnings for a recent prior period until the piece rates were set and the problem with it was, not only would the productivity go way down because their hourly wage was, in effect, guaranteed, and when I say way down, it would go down to like as low as 40% of what they were producing before, but also, when we go to try to set piece rates on a new product line, the incentive was to, for the, for the union, for the employees backed by the union to fight the setting of the piece rates. In other words to contest them and to say that the piece rates were

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too low, because during this period, they're getting their 100% of their previous earnings were, and this meant to the company, with the productivity going down as much as 40%, that we were financially losing a tremendous amount of money, because the employees, many of them, or most of them were not producing the way they should be producing, and it took forever to get the piece rates set, because the union would be backing the employees and contesting them. Accordingly, we were always anywhere from 6 months to as much as a year late in actually producing in good volume with somewhere near decent productivity, the new patterns. And accordingly, we'd get a lot of cancellations from dealers who'd bought the goods and said, you know, for God's sake, when you gonna, when you gonna ship the new line? And we were that late for the reasons I just outlined. So we took the stand, at the negotiations in September of 1956, that we could no longer be paying 100% of their average earnings. That it should be cut to 85% of their average earnings, to provide some incentive to get the rates set and get them back producing at a normal work effort and the union, of course, would not agree to this and that caused a strike. And we held our ground, and the contract was settled the end of November on the basis that we offered it in September, but the union would not buy it at that time.

MN: Why did they change their mind?

GH: They changed their mind because of the pressure from the employees who did not have any income.

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MN: Tell me again why they changed their minds?

GH: Well, because the employees had no incomes. How long could they go on this way without any income to support their, themselves and their families? Certain merchants in town extended credit lines but when they got big enough the merchants shut them off to protect themselves. So---

MN: Do you remember the details of the strike itself?

GH: Well, we had pickets at all the gates, it was peaceful picketing. About, and then, November, the strike had been on since the end of September, and on a month and 1/2 or so and management was, we were getting a lot of calls from employees and wives of employees saying that, you know, we just want you to, somehow this has got to be settled, we can't, we can't exist, we have no income coming in. And so sometime around or shortly after probably, the middle of November, we had a meeting in City Hall of all the employees and the president of the company at that time, Richard M. Greenwood, addressed the employees and expressed our interest in getting them all back to work for their own sakes and for the sake of the company, saving the company, we were losing money hand over fist, of course, and all our fixed expenses were going on. And my recollection is that the, that the talk was very well received and it wound up along the lines of his saying, "and we'll look forward to seeing you all back at work 7:00 tomorrow." Well, 7:00 the next morning, the union had organized chain picketing

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at our principle places of entrance to the plant and the employees, hundreds and hundreds of them, stood across this Pine St. where there was a filling station at that time and on the sidewalk and so forth, wanting to come in, but they were roughing up anyone who wanted to cross through this chain picketing, you know, they went around like a chain, by the main office, for example. And a few employees took their changes and went through the pickets and some of them were roughed up and, but not enough of them came back to work to even consider starting up production again. Most of them were scared to, because of the picket line, either because of, they'd get roughed up, or they didn't want to be called scabs by the union, and so on and so forth.

MN: Had people tried to cross the picket line before that?

GH: No, there wasn't any major effort to go through the picket line before that that I remember. So, it didn't work, Mr. Greenwood's was, heart was well received, but not enough em-, but not enough employees came through the picket line.

MN: Were you at the meeting that night?

GH: Yes, we all were. But that was, looking back on it, that probably was an historic event in the breaking of that strike because within a week and a half, a week to, week to two weeks the, they came back to the bargaining table and it was settled and they came back to work. And they came back to work on the terms that were offered in September. But it

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should be understood that it was not any meanness on the part of the company in sticking to it's guns, it was something that economically that we really had to do. In fact, we wanted the 100% to be cut much lower than 85% because we didn't think that that spread of 15% was enough incentive to really accomplish what we wanted to accomplish. But we didn't think it was, it didn't seem to be in the cards to get them back at a lower percentage. That's what the strike was about. This, this strike & the previous strikes and/or so called in quotes, "unauthorized walkouts" had a serious effect on the company's marketing efforts for the product lines because we got this terrible reputation in the business for being very slow on delivering new product lines. We'd go to the Chicago market and the New York market and eventually Dallas and eventually we'd get into High Point where the big market is today and some of these lines would be, usually I'd say 90% of the time, fortunately the lines, the product lines we'd design and show at the markets would be very well accepted and we'd book a tremendous amount of orders--

MN: At the markets?

GH: --at the markets.. And then come home, here, and we'd be anywhere from 4 to 6 months late in shipping the goods because of this paying 100% average of the employees previous piecework earnings. There was no incentive for them to, to buckle in and go to work and to stop and reasonably protesting the new piecework rates being set.

MN: And there were unauthorized walkouts?

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GH: Oh, yes, we had unauthorized walkouts, too in the 50's period, and as a result of this, we lost many customers, particualary so in that strike that went on from the end of September till after Thanksgiving. We lost customers that we never got back on the books again because they just got fed up on the fact, well, the first thing that happened was, that during the strike they, you know, they'd sell off the goods that they had on their floor, Heywood-Wakefield goods, and whatever goods they had in their warehouse. And there the floor space would sit empty. Well, that cost the retailers money. So a lot of them just went out and got other lines and filled up the space and we had a very tough time trying to get back on some of these retailers floors where they displayed our, our furniture products and some of them we never got back. A combination of the strike and the fact that prior to the strike it took us so long to deliver new, new offerings of furniture that they got fed up. As our competitors were not largely having this problem and our competitors in the South, or about 99 % were then and are now, not union. They didn't face these problems.

MN: What were the unauthorized walkouts?

GH: Well, unauthorized walkouts would be when, you know, the, they would walk out, supposedly without the sanction of the union, and might be just one part of the plant, you know, just one department or several departments. We had a very bad walk -, very costly walkout of the people in the sanding department. I don't remember the year, perhaps by brother will, and what had happened was that in the years prior prior to this the

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piece rates in the sanding department gotten way out of line, so they were earning considerably more than anyone else in the plant, and it was causing us problems within the plant, why these, why should these people be making more money, and also, the productivity in the sanding department was going down because they, you know, they'd only work so long because if they worked full time the way they should have with these piece rates that were, gotten over a period of time, set too high, their earnings would be so high, you know, it would be really pretty ridiculous. So, were suffering, from the productivity angle and from the cost angle, in that their compensation was so much high in other department, so we finally faced the fact that we've got to cut these sanding rates back. And they, they walked out, the whole sanding department walked out, and it was a hot bed of trouble, that department, and we never took any of them back. Said, if you walk out, we're not going to take you back. So we had to start from scratch and retrain the entire sanding department, about 50, 60 people. Yeah, it's a very--

MN: It was just a spontaneous walkout?

GH: Oh, well, when it came to a head, yes. But, you know, it was building when we told them what we wanted to do. You see, they, see, when you go to set piece rates, you know, you, you would time the operation and the employees would always slow down when you're timing them, you know, so the rates get set and they speed up to their normal productivity and they make a lot of money, right? Well, this is the basic trouble with piecework, if we were in business today, I don't think we'd,

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we were still in piecework when we closed down, but I think we would have gotten away from it. Temple Stuart has several years ago over in Baldwinville. 'Cause it's an inexact science, you know, where you time set a value, then you go back to the time study man, go back to the cost department, and you'd compare similar items, you know, and it when on, so on, so forth, and, you see, these things were really way out of line. In the sanding department, you know, some of these things would be on belt sanders so the belts going around a pulley here and up there and you're holding the piece like this against the belt sander, its easy to keep doing that, you know, twice as long as it really needs to be done, because you're not bearing, pushing the piece to the, to the belt the way you should be doing and the way you would do it after the rate was set. So it was, so that was probably the easiest place in the factory for, for us to get taken for a ride, setting piece rates, and that's what happened. Progressively over a period of time, the rates got way out of line. We really had to do something about it.

MN: If you took away the piece rate, what would be the incentive for them to be productive?

GH: Well, you know, that's, that's a very good question. You got to come up with some other incentive system, either realted to profitability or a more technical system, technical complex system, some of which have been developed today. But they, they don't have, but these systems do not have the direct relationship to the employee, they don't have the direct incentive that he has

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an employee has when he's on piecework. No question, but maintaining a piecework system is a very costly thing you've got to have time study men and it's a constant fight with the union in the plant to get these rates set properly, 'cause the employees are going to fight it, they're encouraged by the union to fight it, and then you've got these, all these thousands of rates, you know, 'cause every part in a piece of furniture's got all these different operations that have to, have to be retimed, it's very different apart from anything else. We were making at that time this given part, or this given operation.

MN: Did you ever hear the expression "Pushing the pencil", or "People having a kitty"?

GH: Oh, yes. They were not supposed to do this but they'd have a kitty and they would not turn it in, in other words they'd figure, well, I should only turn in so much today, if I turn in more than that, the _____ (unintelligible) gonna feel that the piece rates set too high, so I'm gonna hold it back and I'll turn it in later. They weren't supposed to do this and the extent that we could, we policed it. But difficult thing, difficult thing to police. Have to get the foreman in the department to do it and "pushing the pencil" means you put in that you did, you know, 380 pieces when really all you did was 320. In other words, it's a form of stealing, is what it amounts to. And, you know, it's hard in a big department for a foreman to count every load after every operation, you got

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20, 30, 40, 60 people in a department, _____(unintelligible).

MN: And, also, isn't the foreman in a funny spot to be loyal to the company and to the people that work for him at the same time?

GH: Well, you could say that, but employee, employees are really representatives of management, you want to stop that a minute? A foreman is management on the floor, the foreman is representing management on the floor of the factory in his department, he's, oh, he's got to treat the employees fairly and this sort of thing, absolutely. You know. We, we tried to run a very ethically and morally straight business standard.

MN: Might the foremen have known there were these kitties but looked the other way?

GH: Well, it's possible, but, they were not supposed to. Mostly, they'd keep these kitties to themselves.

MN: The workers.

GH: Yes. They were supposed to turn in every day what they did that day. They're not supposed to keep those kitties. Another fault with that system. Down, as I understand it, down south today, which is where the center of the furniture industry, there are no so called piece rates on any products except upholstered furniture.

MN: It's all day work.

GH: It's day work with some work of a bonus system of one kind or another, you know, based on productivity or combination of productivity, and, and the company's net profit, or so forth, you know.

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MN: And to go back a minute to the '56 strike, after the employees came back to work, did that change the feeling in the company?

GH: No - -, well, I'm sure there were a few diehards they were probably bitter about it and disappointed that they didn't get their way. But the majority were very happy to be back to work. I mean, if you go without any income for a good two months, 1/6 of your annual income - gone.

MN: I did see in the Gardner News when I was looking through it from 1956 two advertisements from the clergy of Gardner requesting that the employees try to resolve the strike.

And I thought that was very interesting.

GH: Well, during that strike, there was a, the merchants were hurting like hell, of course, because we probably were employing 1200 people, approximately, and a committee of citizens in the town was formed to try to help resolve the strike.

MN: Oh, people from the town at large?

GH: Yeah, many of them were merchants, who, of course, had their own axe to grind, and the only person on that committee who said that the management, the company is right in what they're trying to do, they've got to face up to this or they're just not going to be able to compete competitively in the market place and with proper deliveries, was an attorney by the name of William Laughlin, who has since died, and none of his family are in Gardner any more. And, on that, there was a committee of I don't remember how many people, Martha, probably 10 or 12 people that he was the only one, in management's opinion

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who clearly understood the issues and who properly stood up for our position. Everyone else was colored by something affecting him, you know, fact, that I'm not selling clothing, I'm not selling food, I'm not selling this because the people don't have any income, I can't extend any more credit, or if they weren't in that position, they didn't want to, or didn't want to or didn't have the business sense what the issue really was, but this one lawyer did, and he was not a lawyer that any of us in management did any business with, either. He was a man probably in his late 50's or 60's, but was an astute person, and he unders--, he clearly understood the issue. But that's my recollection, that he was the only one that really understood it, stood up for us. So the committee didn't amount to, didn't do, amount to a damn as far as helping anything concerned.

MN: Did the clergy get involved in the strike?

GH: Well, I heard what you said about _____ (unintelligible) in the Gardner News. I don't remember that but it, if it, if it brought any pressure on the union to try to settle this thing I'm not in a position to answer, I don't really know. (clears throat) Excuse me. Now shut the machine off and I'll tell you something.

MN: It seems that the 1956 strike had more or less just been resolved when the company rolled into yet another one in the early 60's. Did the two have anything to do with each other?

GH: No, I don't remember the issues, my brother may. I don't remember the issues. and I don't have any more of those labor

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files, you know, we had, oh, God, file after file of stuff I threw out down there, that's nothing that the museum would want to keep. He may remember what they were. Probably was wages or could be a combination of wages and fringes, you know, they wanted another paid holiday or two more paid holidays, they would always, of course, ask for more than they expected to get, you know. You know, you're here and they ask for this, having in mind that we're going to settle in here somewhere. I don't remember the issues. Oh, yeah, there wasn't just one strike, that was the outstanding one that went the longest, but there were others.

MN: Smaller ones?

GH: Yeah. Like a week or two or three, something like that.

MN: That would have been sanctioned by the union?

GH: Yeah. And when you hit some of these walkouts, who is to say, the union might not have publicly sanctioned it, but behind the scenes, who knows, right? Like the sanding room walkout. And, of course, another thing we faced here was that we were the biggest employer in town, organized by the union, and they would, we feel, they would try to, you know, get the best possible settlement out of Heywood-Wakefield and then take it down the line to Nichols & Stone, to S. Bent, to Lombard over in So. Ashburnham, etc., you know.

MN: So you would set the standard.

GH: We'd sorta set the standard, and the more they got out of us, the better bargaining position they got with Nichols & Stone and

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other people to do the same things, so we were a victim that way to some extent.

MN: Someone else has suggested to me that part of it, part of the reason there was a strike in the early 60's was that people were afraid that Heywood-Wakefield was going to close up in Gardner and move down south. When did you open your Tennessee plant?

GH: We opened that about 58 or 59. And the reason, the basic reason for it was that, was the configuration of the plant in Gardner, you know, multi-story plant, narrow buildings and school furniture as a high volume item and the handling costs can kill you and we didn't have the facilities to, in Gardner to produce economically because--

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GH: We on?

MN: Yeah, go ahead.

GH: Well, the, the, the configurations of the building was a, very restricting influence on our being able to produce school furniture economically but what we needed was a one story plant, you know, where you start the basic operations at one end and go through and your finished goods and warehouse at the other.

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And that's why we went, that's the major reason we went to Tennessee.

MN: But you could have built such a plant in New England.

GH: Well, we didn't build it in New England because, for one thing, it was not a logical geographical center for the shipment of the product line. Where we went was. That plant could be built down there for considerably less than you could build a plant for here. The maintenance of the plant would be considerably less, heating, power, etc. And we wanted to get away from these restrictions that were put upon us by the union contracts here in Gardner that I've been talking about. So that's why we went down there.

MN: And what ---

GH: The employees did fight this. We sent a lot of our, for example, we sent a lot of our machinery down there, for example, especially presses, stamping presses like you have in a metal working shop, and we pulled a lot of those and, at that time, had a big machine shop here and we pulled a lot of these presses into our machine shop to make whatever repairs were necessary to each piece of equipment because we were not going to have a full blown machine shop down there. Eventually, we had a small one, but you know, we had to build it up. And we had a lot of sabotage. Sand in the, when the equip - machinery got to Tennessee found sand in the gears and all those kind of stuff. Sabotage. So we had to go through all the equipment down there and take care

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of whatever had been done to it that shouldn't have been done to it.

MN: Because people were so opposed to the plant moving down?

GH: Yeah.

MN: Was it their belief that the plant would close in Gardner and they would all go to Tennessee?

GH: Probably in the minds of some but it was announced that it was strictly a school furniture plant.

MN: And you built that plant in Tennessee?

GH: Yes, we did. One story.

MN: Did some people from Gardner go to Tennessee?

GH: The plant manager came out of Gardner. Management, yes. Plant manager came out of Gardner, the number two guy came out of Gardner and at least one foreman came out of Gardner, though he did not stay with us very long down there, but the other two did.

MN: And how long was that plant in operation?

GH: Umm. '58, '59, until '81 when the whole company, the rest of the company went into bankruptcy.

MN: Was it your intention to move the company to Tennessee?

GH: It was our intention (coughs), the next, our intention, the next step we were going to make was to open another plant in Eastern Tennessee and take, this would be a wood furniture plant, Bristol, Tennessee, and we would take certain furniture lines out of this plant and leave certain lines here. We always

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felt for the, for the plant (phone rings), for the plant we had on our hands, for our problems operating here, was that we always for the, for the plant we had and the configuration of the buildings, you know, highly costly to operate it, we always were making, trying to make more patterns here, and more different lines that really we could produce on the most effective basis, given the buildings that we had to operate, so what we planned to do was to take certain line, contemporary lines that we were making, out of Gardner and put them into this plant in Tennessee and cut down in Gardner to the number of patterns that we could produce in the most cost effective way given the plant that we had here. See, we, we were always able to sell more than we could produce here, the problem with the company here was basically not the sales department, the problem was trying to produce the goods. So, that was going to be the next thing we were going to do after we got the, the school furniture plant going. Not in the same community, the school furniture plant was in Newport and this would be in Bristol Tennessee, which is right on the line with Bristol, Virginia there. They're right together. And this idea came to a head, and it was, was developed during a period of, oh, six months or so probably a little longer than that, when the president of the company, Dick Greenwood had a, was recovering from his first heart attack, and we had been working on it before he had the heart, then he had a heart attack, and then we, we took it over without him

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and proceeded to try to put this thing, put this into effect, and we secured the land, we had an architect design the buildings, we figured out what products we'd move, we figured out where we'd get the financing and we were all set to go and Dick Greenwood called a, he was getting over his heart attack but he was not back to work yet, and he called a director's meeting, a meeting of the directors of the company, at his home in Plymouth, where the Pilgrim Power Plant is now, you know, that nuclear generating plant that Boston has, he sold the land to them, and he was the kind of the guy, he had a lot of good qualities, but one of his bad qualities was, and it got worse as he got older, that it wasn't his idea, you didn't get anywhere with anything, in other words, if you wanted to accomplish something, somehow figure out a way to get the thing on the table as his idea. Well, he was involved in the start of this thing but when he was out with his heart attack we took over and moved ahead with the project and he called a director's meeting and he succeeded in talking the majority of the directors out of going ahead with this project. With my brother and our treasurer at the time, Clarence Phillips, and I in objection. We had got, we were the ones that picked the ball up when he was out with his heart attack and went ahead with the project, and he killed it. And we had a couple of outside directors but he had talked them into seeing it his way.

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MN: What was his objection?

GH: Uh, that, uh, I think his basic objection was behind the scenes to the other, the other directors, outside directors, was that, you know, these young guys don't know what they're doing, I've been here running this company since 1929, etc. And this is not necessary, the problem is, there's no reason with proper factory management, which was a dig at my brother, no reason why we can't produce all these products in a more effective way in Gardner, the trouble is with the factory not being run right and all this sort of baloney. But he got his way and the project was killed.

MN: But all the school furniture was still produced--

GH: School, this is, yeah, the school furniture was done in Tennessee anyway.

MN: What town?

GH: Newport, Tennessee. This had nothing to do with school furniture. This was another project.

MN: Right. But he maintained the Newport plant, anyway.

GH: Oh, yes. Oh, he was involved in that. He was very deeply involved in that, so that was his project, see. As long as he feels it's his project, you know, he wouldn't fight anything. His idea. But this one he was involved in the start of it but then he had the heart attack and we went on with it, you know, we started down here somewhere and we took it to about here, and up there, we're going. And, and he, he killed it. It was a great mistake. It was going to be largely at one,

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we had had such good results with our one story plant on school furniture, and this plant was going to be mostly one story, it was built on a slope so part of it was going to be two story. A one or two story plant in the furniture business is all right, but no more than two, today. Handling costs kill you.

MN: Do you think the people in Gardner worried about that?

GH: Uh, you mean, our employees, or you talking about the general?

MN: Well, your employees _____ (Unintelligible) the move?

GH: Well, our employees, our employees probably saw it as a, would see it as a threat, to, you know, the potential future, the continued operation of the Gardner plant. But that was not going to be the case. So what happened eventually was that through my friendship with Kirt Watkins, who was then running Simplex, the father of, of, Chris Watkins, who owns the whole place now and hires people to run it, I guess he's more operate -- more, operating in the business himself now than he was for awhile, but anyway, Kirt Watkins and I were very good personal friends and the Watkins family, his family and my ancestors were very friendly, they helped him set up, his father set up Simplex Time Recorder. That came out of Heywood-Wakefield, you know. So, anyway, it's another long story, but anyway, he bought the stock away from a Jewish guy in New York that wanted to liquidate the company and --

MN: Rem?

GH: This Jewish guy in New York wanted to liquidate Heywood-Wakefield.

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MN: What was his name?

GH: Henry Rem, R-e-m. For Rembuzuski, or something or other, Jewish guy came over here with funds unknown from France some years before this and he'd been buying up our common stock on the market and I'd been fighting, I'm getting into another story now, but the finish on this furniture thing, and we, we forced Dick Greenwood to, to retire, and then my brother and I took over running Heywood-Wakefield with Simplex, and Simplex, with their big holding they bought from this liquidator and what the Heywood family had in stock, put together that we had more than 50%, so we had control of the company. So, what we did was to, because we were making too many patterns here, these lines that we were going to move to Bristol, we threw them out, we just stopped making them. They cut down on the numbers of patterns here, again, we could see more than we could produce in this old plant, see, so when Kirt Watkins bought the stock, first meeting we had with him after it was, you know, he did buy the stock, he said, "well, all right, I got the stock now, so we got control. Now you guys figure out, I want to -" This happened first of the year, 1966, and we actually took over in March of 66. So he said, "Now what I want you to do is come up with a plan of action, so the minute we take over, at the annual meeting in March, we know exactly what we're gonna do." So, one of the things we decided to do was to stop making these other, largely, contemporary lines of furniture using wood other than maple, like yellow birch and

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ash and so forth, just stop making them. Discontinue the lines, whereas before we were gonna take 'em to Tennessee. So, as far as the effect on Gardner was concerned we eventually did what we planned to do anyway, but we threw the other lines out instead of taking them to another plant.

MN: Because there were too many lines?

GH: Too many patterns to make in the building in which we had to operate, yes.

MN: And what lines did you throw out?

GH: Oh, contemporary lines. I don't remember the names of all of them off hand, sometime ago. We kept the early American line, that's all we kept, we were making different contemporary lines, too, of ash and birch, I mean, we just, you know, all the development that had gone into bringing these up, and taking them to the market, making all these samples, all this cost, in the market they sold well, plenty of orders, but we couldn't produce them in this old plant. So we're gonna, to relieve the old plant we're gonna take 'em to another plant.

MN: Instead of discontinuing them, why didn't you go forward with the plant, the plan to build the plant in Bristol?

GH: Dick Greenwood killed it.

MN: No, no, but later.

GH: Because Kirt Watkins had a great feeling for Gardner.

Of course, _____(unintelligible), and he did not want to do anything to hurt Gardner. He looked at Heywood-Wakefield

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as the mother of his company, in fact. He owned the whole company. He didn't want to do anything to hurt Gardner. Anyway, he said, "I will show you boys how to run the furniture business," he said, "I admit I don't know much about it, but I'll learn, and with help from me and from Simplex, we'll show you how to do this." But he agreed that we were making too many lines. So, he said, "I, we got enough balls to bounce right now in trying to straighten out Gardner and you got the plant in Tennessee and you got that old plant in Manamabee," Michigan on the upper peninsula, "I don't want to get involved in taking on a, a, the setting up of another new plant at this time. So, I agree with you," this was after a lot of study and a lot of time spent with him, "I agree with you that you're making too many patterns for this old plant so you best ditch these lines. I don't want to take on a plant in Bristol now." So, he, he just didn't want to take it on. We agreed that we had to drop those lines though.

MN: Can you tell me that story you were about to begin?

GH: Well, the problem was, see we were, a publicly owned company. The common stock and the preferred stock was traded over the counter. And the common stock really controlled, the common stock holders really controlled the company. 'Cause they elected all but one director. The preferred stockholders could only elect one director, no matter what. If the company's in arrears and dividends, it didn't make any difference they only elected one director, so the common stock controlled the company.

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And, around 1958, it came to my attention that someone was acquiring the common stock of the company, and I called it to Dick Greenwood's attention. Well, he'd been in the saddle since 1929, he couldn't see it was any real threat, but I could still see from the stock going out, alot of it going into so called street names, so you didn't know who was acquiring it, in other words, it'd be in broker's names. And, I got very concerned about it. And, so finally one day I went up Edgell St. over there and sat down with a man named Eddie Nichols, who was been the senior officer at Nichols & Stone, he has since passed away, and his son is retired and his son is now running the company, Ted Nichols grandfather. And I said, "Eddie, I'm very concerned about -", and we're old family friends, even though we're some extent competitors, we're very close friends. Said, "Eddie, I got a problem." "Well, what is it, George?" I said, "Well, somebody's acquiring stock, common stock in Heywood-Wakefield. I don't know who's doing it, the broker's name," but, I said, "I got a feeling that somebody's trying to take us over, and I cannot convince Dick Greenwood, that, you know, that this is something serious, that we should face up to and figure out what we're going to do about it." And he said, "Well, how do you know this?" And I went through all the details. "Well," he said, "I'll tell you what you should do." He said, "I think you should go to Athol and talk to Arthur Sterrit, L. S. Sterrit Co., he's got a raider that's trying to crack in, get control of L. S. Sterrit, and he's hired a firm in

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New York and he can tell you all about it, and what to do, and he's very well satisfied with this firm he's retained," and so forth. I said, "How the hell am I going to convince Dick Greenwood of this." He said, "Well, I'll call Dick Greenwood myself. Is that going to get you in trouble?" And I said, "Well, I think what we better do, yeah, it could get me in trouble, because it isn't his idea, he's not going to go for it. I'll tell him that I stopped in to see you for another reason, the guy had been sick, and you asked me about this and I mentioned to you that I was concerned." So anyway, he called Dick Greenwood, and he set up an appointment, and Dick Greenwood and I went over to, surprislingly Dick Greenwood went along with this, and he went over, we went over to see Arthur Sterrit, he was running L.S. Sterrit Co. at the time. And he was blind, and he still ran the company. Very sharp guy, his son, Doug runs it now And Arthur Sterrit gave it to him straight, you know. "George is right, you got to be concerned about this, and I'm fighting the son of a bitch,"so-and-so, I can't think of the guys name,"and I hired Jorgenson and Co. in New York, Bill Travelos, now what you should do, now you and George, you're going down to the New York market next month, you make an appointment with this guy and I'll call him ahead of time and tell him you're going to be calling for an appointment, you go down and you seek his professional advice." So we went to the New York market and we went down to see this guy, we retained him, so eventually it turned out it was this guy, Henry Rem. So then started a contest

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I got a brokerage firm in Boston to work work with me on an unbelievably, unbelievable basis today. That they would pick up all of Heywood-Wakefield stock that they could possibly get. And I didn't, the company didn't have to give them any money, sign no guarantees, no nothing, they just agreed with the philosophy of this thing, that I would, they'd get the stock up to me and I would place the stock, you know, company employees that were in position to buy it and who we trusted, supplier, good suppliers, you know, questionable suppliers, no. They'd use that as a leverage to buy our product, no matter what, you know, and people in town even Nichols & Stone bought some, so as fast as he acquired stock, I'd place it in supposedly safe hands. Acquired some myself, to my regret financially today, 'course when the company went under, it's all worthless. But anyway, so you get into a real contest. And finally this guy, Rem, I found out who he was, he asked for a meeting, so a few years later, New York market, Dick Greenwood and I had a meeting with this guy and he had an associate with him who we never knew who he was. And, yes, he was a _____(unintelligible), he did want to get control of the company, and what he wanted to do was liquidate. Figured what he was paying for the stock, he could liquidate the company and make a hell of a profit.

MN: Had he done that with another company?

GH: Don't remember.

MN: But that was, he outlined that as his intention?

GH: Oh, yeah, Oh, yes, he made no bones about it. So then,

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I rode my stock acquiring and placing even harder. And then there came a time after Dick Greenwood's heart attack--

MN: He knew it was a threat after he met with Rem.

GH: Oh, yes. After he, yes, after we got Jorgenson retained, yes. And, see the, Dick Greenwood and his family and the Heywood family was around, we, we did not have control of the company, we had about, between the two families, we had probably about 15-20% of the stock. I add in a few friends and it got up a little higher. And then I kept placing and kept getting our, our amount of stock in safe hands, supposedly bit higher. But Rem was acquiring, too, and he was putting in street names, so you never knew what the hell he had. So after Dick Greenwood year or so after he had his heart attack, two years, I guess he was getting, being told by the doctors that he got to take it easier, so forth, and he and I had gotten on the outs on a lot of things and it got to the point where he had no, no respect for me or my brother, because a lot of things we wanted to do here he wouldn't do. And so, he was told he's got to take it easier and so forth, and so he went out, so he was not about to see either my brother or, or me be the president of the company succeeding, so he, somehow, found out about a guy, and interviewed a guy that he wanted to hire to come in as president of the company. Complete from the outside, no experience in this business at all. Worked for AT&T, out of Providence, R.I. And, then, we had a, and he discussed with this guy the fact that

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one thing we got to face up to is this guy, Henry Rem. He wants to liquidate the company, and I think what we ought to do is buy Henry Rem out, and can you raise the money to do this. It'll take, probably something over a million dollars, and this guy that come in, who he had hand picked to come in and succeed him said, "Oh, yes, I can go to the Hospital Trust Co., and, Rhode Island, and oh, yes, I can raise that money." So then we had a meeting at our attorneys, Ropes & Gray & Lawson, with Dick Greenwood there and Henry Rem came up--

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MN: OK, sorry.

GH: So, Dick Greenwood set up a meeting with our attorneys, Ropes & Gray in Boston, Henry Rem came up from New York, and Dick Greenwood, at that meeting, made an offer to Henry Rem to buy him out, buy out the Heywood-Wakefield common stock that he had at \$31 a share. So, that was that. And within a couple of days, Dick Greenwood came to my brother and to me and said, "Well, this man I was going to bring in cannot raise the money to buy the stock." And, he said, I said, "Then what are you going to do? You made an offer to buy the stock, now you got Tom, you haven't got the money.

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You know what he wants to do. He wants to get control of the company and liquidate it." He so, "I don't know what I'm going to do." Well, backing up a little bit, I had seen this thing coming to a head and I doubted, I wasn't trusting Dick Greenwood and I doubted this new guy could raise that kind of money, so I went to Kirt Watkins and I told him what was going on and I said, "I don't know what the hell to do about this things." and he said, "What you need is good counsel for the Heywood family." So he set it up that my brother and I retained John M. Hall of Joad, Hall & Stuart, another leading law firm in Boston to represent the Heywood family's interest in Heywood-Wakefield. So come back to that meeting, Dick Greenwood on the 3rd floor of that office down there, he said, "Well, I got bad news today. Glenn", what's his name, the guy he wanted to bring, he said, "he cannot raise the money to buy Henry Rem out. So I said, "Well, what are you going to do?" He said, "I don't know what to do." He said, he said to me, "Do you have any ideas?" And I said, "Yeah, I've got one idea." But, I said, "I'm asking you a second time now." I said, "Seems to me you've painted yourself into a corner, now what do you recommend we do? You're the president of the company, you negotiated the purchase of this stock, now you say Glenn can't come up with the money, what do you recommend we do?" I wanted to ask him twice, you know, so he couldn't say that I went under the table, or, on anything. So, "I don't know what to do. Did you say you had an idea?" And about then the telephone rang and I went outside to answer it and

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it was Kirt Watkins, and he wanted to know what Dick Greenwood had to say about this, I had kept him posted on what was going on. So I came back in and I said, "Yeah, the only idea, the only person I know who's got the money to buy this stock is Kirt Watkins," and I said, "He has bought a certain amount of stock, as you know, that I have acquired in Boston, and put in safe hands, " and I said, "I don't know whether he is going to be interested in laying out this kind of money, a million dollars or more or not, but," I said, "that was him on the phone and he wants John and I to go over to Simplex, meet him over there at 6:00 and we'll discuss it." So, Dick Greenwood said, "Well, what's going to happen to me if he buys the stock?" And I said, "I don't know, if he buys the stock from Henry Rem, the amount of stock we think he's got, Kirt Watkins'll be the biggest stockholder in the company, and that'll be up to Kirt Watkins." Well, we went over there and talked to Kirt Watkins and, this was in December and to make a long story short, on the last day of December in 1965, Kirt Watkins bought the stock from Henry Rem and I thought the guy only had 44,000 shares, but he had 48,000 and Kirt bought, bought him out and then we told Dick Greenwood we thought, interests of his health, and so forth that he ought to retire and he resented this like hell. And he hated me till the day he died for this, and he blames me for all this. And it was a very touchy situation because my first wife who died of cancer in '61 was Dick Greenwood's oldest daughter and he got so damn mad at me over all this stuff, that he just about disinfranchised my children by his oldest daughter. That's how

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mentally sick this guy was, his anger and his mental attitude, such as it is, it's a terrible damn thing in the family. So, so then we started to work with Kirt Watkins and we did what I told you earlier.

MN: Did Rem make his money?

GH: Yes. To the best that I could find out, Rem's average cost was \$18 and he got \$31. Well, Dick Greenwood had all ready negotiated the price so Kirt Watkins had no opportunity to negotiate another price so Kirt Watkins had to pay him \$31 a share, that amounted to a little over a million .5 that Kirt Watkins had to lay on the deck to pick up the stock, the certificates, I went down and picked them up in Worchester, the certificates were a pile this high, and he had all this stuff in street name. He was a real conniving bastard, and all he wanted was liquidation. He didn't want to run the company.

MN: Didn't he, didn't he own two other furniture companies, though?

GH: Henry Rem? He could have, I don't trust my memory now. What companies?

MN: I can't remember the names.

GH: How'd you hear that?

MN: Somewhere along the way.

GH: He might have, I don't remember right now. They weren't any great big companies, if so. So we kind of got off the subject we were talking about earlier.

MN: Well, just let me take this one step farther which is,

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after, after Dick Greenwood then left the company were you then the president of the company?

GH: That's right. My brother was the executive vice president.

MN: And Kirt Watkins was what?

GH: He was a member of the, he, of the board, we set up a new board of directors. Kirt Watkins, his number one factory man over there at that time, Julie Skarch, who's still alive, lives at Westminster, he's been out of Simplex a long time now, and our att-, we went from Ropes & Grey to Joad, Hall, Stuart, John Hall was the director, Charlie Campbell, a lawyer friend of Kirt Watkins was also a director, my brother and I, the manager of our Manamane plant, _____ Lewis, and the manager of our Tennessee plant, Ralph Blackman were made directors, as was our then treasurer, Clarence Phillips who'd been a director before. Now that set up a whole new team and the unfortunate thing was that Kirt Watkins dies the following January of a heart attack, so then a few years, 4 or 5 years later, his adopted son, Chris, who will now own Simplex, he inherited Simplex, he wanted out of the Heywood-Wakefield stock, and I had to, I had to do a recapitalization of the company and buy into the company treasury the stock that Simplex held, which was quite a feat.

MN: Why did he want to get rid of it after all his father had gone through?

GH: 'Cause he had absolutely no interest in being in the furniture business, and I guess he had the directors of Simplex agree that

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that was right, that they could put this money to better use in Simplex Time Recorder Co. than Heywood-Wakefield and his son didn't have the, his adopted son didn't have the interest and the loyalty to Heywood-Wakefield Co. and Gardner area that Kirt, his father, had. And his son was very, very difficult to get along with, to operate with.

MN: Well, you must have been completely shocked when Kirt Watkins died.

GH: I was, I, although I knew he had previous heart attacks and I spent New Year's Eve with him the following year and was very sick with a terrible cold and I knew the doctor he went to because I went to the same guy in Boston for my annual check up and I said, "You've got to call Dr. Evans here." "No, no, I don't need him". His wife was there, oh, he was almost out of it he was so sick, but he insisted on watching the Super Bowl, or whatever it was on New Year's, over on Chestnut St. Around the corner from here. And I went to the Chicago market the following Saturday, I guess, and Sunday morning about, only a couple days later, 3:00 or 4:00 in the morning, my wife called me and woke me up in the _____ Hotel and said, Kirt Watkins died. Just died. Started another, there was another problem. But Simplex did hang on to the stock for about 4 or 5 years. '72 we bought it back.

MN: Did you have to hire any outside consultants to help you after he died, or did you make a new plan of action?

GH: Well, he was only, Kirt was only alive one year after he

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bought the stock. Then his son, his adopted son Chris was made the president of Simplex, and he came on the board replacing his father - Heywood-Wakefield board of directors, and Chris Watkins was not interested in getting into solving Heywood-Wakefields problem with the Gardner plant. All he was interested in was make as much money as you can in Tennessee, and Manamee, Michigan, and cut the losses here as much as you can possibly can, and if you can turn it into a profit, so much the better. But to face up to what really needed to be faced up to here, he was not really interested. And I think, I know when, he never said exactly why, but he didn't like being involved with Heywood-Wakefield anyway, the son, whereas the father did. The father looked at it, the daughter's coming back to help her mother, that's the way he looked at it. But his adopted son didn't look at it that way, at all. So we just rocked along here without any long range plans whatsoever, as far as Gardner was concerned, 'cause he didn't want to hear about it. Didn't want to get involved in it. I don't want you borrowing any more money, which you have to do to set up a new plant, you know, you have to loan out industrial bond issue, or something like that. No interest. So, in, in '72 we did a recap and we'd bought the stock back. By then, I'd gone back to Ropes & Gray for our attorneys and uh, because there was a conflict of interest, you know, when I wanted to buy the stock back from Simplex, John Hall was representing Simplex. John Hall was representing Heywood-Wakefield and I had to take him, put,

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it to him pretty stiff and he was a very tough cookie, this guy John Hall, boy, you didn't want to tangle with that guy. And he finally agreed that, you know, there was a conflict of interest and so I went back to Ropes & Grey. They, they did the recap for me, the legal end of it, and helped me raise the money, too, to some extent.

MN: Did you have to buy it back at \$31?

GH: We bought it back at \$30. We pa-, we paid too high a price, but, that's what the stock was at the time and that's what they wanted. And Chris Watkins was trying to peddle the stock behind our backs, too, we found out. We'd had a very uncomfortable feeling being in business with him, whereas the opposite was true with his father. So then we still get, so now we, our hands are free to face up to what are we going to do about Gardner? And, so I eventually, so I started a study trying to find an outside consultant that knew something about the furniture business. I went to New York and I talked to some people, guy that headed up this kind of a thing of a, you know, knew a lot about different kinds of consultants, and, to make a long story short, he recommended that I first consider an outfit called Ross Associates out of Ashville, North Carolina, who I work for part time, now, when he has projects up this way. He was involved recently in that possibility of that new industrial park in Gardner down by Stanley's Oldsmobile, OK? He was involved in the market study of that. So, had him up here, my brother and I interviewed him, and we retained him

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to do a study of what should we do about this high cost, this, to an extent, this very non-productive Gardner furniture facility. Excuse me one second, I got to step in the lavatory. Can you turn that off? They did a study of the Gardner, they did a study of the Gardner plant and it was expensive, too, and --

MN: This would have been in the early '70's, then?

GH: Yeah. I've got the report down in the cellar somewhere. And in essence, what, what the report said was, it's a great, long, voluminous thing, that they could not see any way that the money, that a large amount of money could be justified that it would take to straighten out, in particular, the north side of the plant where where the _____ (unintelligible) is, was so cut up with all these elevators and all these odd shape building, they were built, they were all built originally for a different purpose. A different business than the one we were in. And on the south side of the plant he recommended that there were some savings that probably could be made by putting in a more up-to-date finishing operation involving different types of conveyors than we had, so forth. He could see that that could be done, but the north side of the plant, the amount of money it would take, it was just horrendous. How could, how could you justify it? You could, you could really only justify it if I were, you know, one of the Rockefellers and my great-great grandfather started the operation, my great grandfather did a wonderful job running it for many years,

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and so forth, always been in the family. I don't give a damn if I, you know, I don't give a damn if I drop 10 - 20 million dollars, with the money I got, what the hell, I'm going to try to save this for Gardner, you know, for what it would mean to my ancestors and to the people, and etc., and forget the union, somehow we'll figure out a way to get rid of them. But, we didn't have that kind of money. See, these are things that someone like Carl Lugbauer doesn't know anything about. He was, he was by then, I think we probably forced him into retirement when we couldn't control his spending money. On advertising and catalogs, and everything. But, well, there're damn few people that know this whole story. My brother knows it well. But, so we were faced with a, you know, a horrendous problem here. Well, it's like, you know, Peck Nichols, for some reason, who's running Nichols and Stone, doesn't like me. I don't know what it is, but I, I know it's a case, but, because he bought the south end of the plant when we, when we sold it before we closed it before we closed and we still stayed there and, the old Pine St. buildings. By then we had a op-, plant operation, the dimension mill up in Woodstock, New Brunswick, one story, very efficient, made money, and we got into a plant in Penyan, N.Y., one story, but, you know --

MN: Two new plants that you --

GH: New plants, yes, but, but we, but we still were operating in that damn old buildings on Pin St., you know. But anyway, what I want to say is, you know, when Bird was trying to buy this building, it came out in the Gardner news, I think since,

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maybe since you've been here, yeah, I'm sure it's since you've been here, and the City Council, the Zoning Board, was not about to, for awhile to give, Bird the OK to take that over, you know. for various reasons, so Peck Nichols was interviewed and he said, "This plant is a monster." Well, he was only talking about the south side, the real monster was the north side. So, I mean, how you gonna solve a problem like this.

MN: Could you have closed the Gardner plant and just stayed operating in Canada and New York. Did you still have the Manamane plant going?

GH: Yes, we had Manamane going, Manamane made money usually, and _____ (unintelligible) was an old plant, too, but it wasn't cut up like this one, in Tennessee. Well, - - we didn't have room enough in Penyan to make the whole Am-, Early American line, I'm just talking one line, now, years ago we used to have 3 or 4 or 5, you know, the ones we discontinued, we were going to take south. So we had to have something here, so Penyan was making the case goods, so we were making the chairs and tables here. And it just was, it was a, we were too split up, there was too much handling going back and forth, particularly the finished goods, cause when the deal - , when you want to ship a dealer, he wants, you know, he wants his bedroom order shipped complete, and/or he wants his bedroom and his dining room order shipped complete and the bedrooms coming out of New York state and the dining rooms coming out of Gardner, and

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we're still having problems operating efficiently in that Pine st. building, I don't know, if you talk about how could this whole thing have been saved the best answer, I don't know if my brother will tell you, but we can discuss it. My brother and I did not always see eye to eye on everything, but we pretty much saw eye to eye on say 90% of things. What really should have happened is this problem should have been faced up to during the war, World War II, when the company was in, hindsight is brilliant, of course, when the company was making very good money, highly _____(unintelligible) (phone rings), both here and Manamabee, only had two plants and we were, when we were paying these very high, not just a normal corporate taxes but we were paying in addition to that, during the war we had an excess profits tax and -- (calls to someone) Jenny wants you to call her. Yeah, just called. And, Yes. -- and I'm sure that, well I don't know, but I think that probably a way could have been found to offset some of these profits aside and saved them for the building of a new facility in Gardner after the war.

MN: Because you went through a tremendous reconversion process, anyway, after the war.

GH: We did, but within the confines of the building we had. That's right, yeah. So, really what we needed was a one or a two story plant with, and that, probably, between 500 & 600 thousand square feet, not any more than that. We had almost

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900 thousand, but a lot of it's wasted, see, the way that building is and if it'd been done then, it probably would have been put up somewhere in Gardner, because of the, despite the union, because of the skill of the work force, that the company had trained over the years, you know. So the monster killed us. This monstrous building killed us. Looking back over the years, that's what I would say.

MN: Then how were those years in the 70's? Did you have a --

GH: Well, in the 70's, when we cut down, like as I told you earlier, we cut, we, the lines we were gonna take to the Bristol, Tennessee plant we discontinued. Terrible waste, all the fixtures, all the tools, everything else, all the special cutters, everything, you know, all, went, went down the tubes, so we concentrated on the Early American line. And we started this in, we started bringing this plan of action into effect in '66 but it took some time, you know, you can't do this stuff over night. Also, we had tried to talk Dick Greenwood out of getting out of the railroad seating business. YOU know, we, we supplied 85% of the railroad seating in this country and all of it in Canada. It's a big business and it was a profitable business. But--

MN: When did you get out of it?

GH: Not until Kirt Watkins came into the picture. Dick Greenwood wouldn't face up to it, and we were also making bus seats for General Motors. American Seating Co. and ourselves. And that was a very difficult business to be in, high competitive, and

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we're operating in these old buildings and General Motors is very God damn demanding, you know, they're a wonderful company depending on whether you like their product or not, whether you like their stock or not, but if you're a customer, if you're a supplier of General Motors, boy, it, it's just something, it's worse than trying to supply the Pentagon by a hundred thousand times. If you're late, and we had to take the bus seats from here to Pontiac, that's where they were installed, Pontiac, Mich., and if you were, when the bus came off the line, if your seats weren't there you got fined so much a day. Well, I can understand it where they come from on it, but, you know, if you got a labor interruption here, or even if they made a mistake on the drawings of the seats that go over the wheel house of the bus that's where the seats come up, you know, well, you should have told us earlier, you know. So we were, we were losing our tail in this business--

MN: On the railroad seating and - -?

GH: On the railroad seating and, well, what happened to the railroad seating, who the hell is buying any railroad seats these days, they all went out. And he wouldn't face up to it, so we had to do that, we got out of that business.

MN: Was that in the 60's?

GH: You know, it was after Kirt Watkins took over, and eventually we got down here to just what we told Kirt Watkins we thought we should do, just the Early American line and cut the number of patterns. And, and, this plant had lost money from 1956

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up to 1971, some years like a million .2, big money.

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MN: So did you get out of railroad seating, bus seating, and metal working in 1971?

GH: That was the only metal working we had left.

MN: OK. And the chairs - - ?

GH: So we got out of that between 1966 and 1970.

MN: And school furniture was in Tennessee?

GH: School furniture was gone in Tennessee and making money. So in '70 -- we'd lost money, big money every year from 1956 to 1971. 1971 we went up on the black, but only a little over a hundred thousand dollars, 72, 73, 74, blacked. Four years, Gardner plant. But only, the highest was like 226,00 on like 10 million sales or so, the lowest was like little over a hundred thousand. And then, '75, we went back into the red again, the 74 recession, so --

(Someone in background) I'm going out with Jennie.

GH: Yeah, I know.

(Someone in background) Still at it?

GH: Yeah. (laughter)

(Someone in background) Good luck.

MN: Thank you.

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(someone in background) I put, I put the stove on with your creamed chicken, so -

GH: All right, OK, low I hope?

(Someone in background) Yeah.

GH: So and we never put it back on again.

MN: If you were in the black for those years - -?

GH: Yes, but it's very small black, you know, if it was 700,000 to a million, it'd be one thing, but I mean, the average over the four years would probably come out around maybe 135,00 to 150, or some such. But those were the only four years. Since 1956, since the strike.

MN: And were there other big changes then in the late 70's?

Did you decide to discontinue other lines?

GH: No, no we didn't.

MN: Could you see the end coming?

GH: Well, we tried this thing with Penyan in New York and we just, Technicals bought the place, and we leased the office and we leased those old buildings on Pine St. that Bird is not going to refurbish until 3 years from now, and, he, he used Technicals used part of it for his table production which he couldn't handle in the plant over there. That's why he's put the addition on, and other things he rented out to Gardner-Athol mental health and anybody he could get in the, get in the facilities, you know. Different tenants in different places. All this stuff.

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MN: What year did you sell it?

GH: What?

MN: What year did you sell it?

GH: I think we sold it around, I'm not sure of the date, probably '77, and we, we consolidated the Gardner operations into the Pine St. buildings , that's all we, and we were leasing the space from Nichols & Stone.

MN: So that was a major decision, to sell the physical plant.

GH: Yes, it was. Well, we had to do something. Losing money hand over fist again. But that did not turn up to be the answer.

MN: What had you hoped to gain by selling the building?

GH: That we would have the op-, operating in a much smaller space, we'd have much less overhead and so forth, just to make tables and chairs, and some occasional tables like for the living room, like that, that type, have Penyan make the case goods. But Penyan wasn't big enough to take the whole load, see.

MN: So the chairs were still only being produced only in Gardner?

GH: That's right.

MN: And what else was only in Gardner?

GH: Tables, like dining room tables. And we produced dining room case pieces, like buffets, those were the only case pieces and chairs and occa-, few occasional tables. But it didn't pan out. Now coming back to the, while I think of it, coming back to the union, Kirt Watkins, of course, does not have, did not have a union over there, the Electrical Workers have tried a couple of times to get into Simplex and they've been defeated

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every time they've tried, and far as I know, they're not trying now, that's not to say they won't at some future time. He wanted us to get rid of the union. He said, eventually, I'll show you how to get rid of that union. And he, he recognized it as something that was very tough for us to live with and very costly, and there are lost of problems with the union beyond what I've mentioned, too, such as seniority bumping on the job and that kind of thing. So, eventually management gave, looking back on it, gave in a little too much. Qualification for the job should come first, not years of service with the company. Now if you and I are, a job opens and we bid on it and you and I are equal in capabilities, and this has to be the judgement of management, but I'm talking about fair judgement, let's say, you and I, management feels we're both equally qualified, school wise, experience wise to take over that job. But you've got more seniority, you've worked for Heywood-Wakefield way longer than I have, then you should get the job. No question about that. But, if I've got more seniority than you, and you're qualified to take the job and I'm not, seniority should not give me that job. In the proper managment of the operation, right? But that's not the way it worked. Seniority, that's the first consideration. If I wanted the job and I had more seniority than you, then I had a right to go on the job.

MN: But it was meant as a effort to prevent favoritism, I guess.

GH: Well, the theory was the longer you've been there you

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should, entitles you to whatever opens up. But you can't run a business that way. Qualification for the job has got to come first in the proper operation of a company, I mean. Now, you can say, all right, we'll give you so long, you know, see if you can han--, you know, you're not as qualified as she is but we'll give you a try for a month or something, oh, then you get in a hell of a fight with the union. Well, you say I'm not qualified, prove it. Now, you can't run a business, what if you had a little business of your own, you're not going to hire someone that's qualified, you're not going to push him into doing something that they're not qualified to do. Now, training them for it, that's something else. There was a terrible problem with us.

MN: I wonder how Kirt Watkins is going to get rid of it?

GH: Well, if ever there was a time to have an opportunity to get rid of the union here, if we were still operating in decent facilities, the 80's would have provided the, would have provided the national background, in my opinion to do this kind of thing. But, it would have been a hell of a fight.

MN: What do you mean the national background?

GH: Well, look what's happened, the competition of the Japanese and all the other imports, the companies have had to face up to doing these things and unions have had to back off on a lot of this stuff or else they form a new company, a subdivision of something or find some way to put yourself in a position where the union would have to enter the new property and, you know,

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get the employees to go along with you with everybody's on, everybody's really on management's side, you know, this General Motors hasn't gotten rid of the union anywhere that I know of but other companies have. And unions are losing more elections than they're winning, they have been for the last eight years or so. But they were a real _____ (unintelligible) down here. I'm not saying they were responsible for the demise of the plant, but they were partially responsible for it. Anyone that tells you that the union did a lot to save Heywood-Wakefield and all this stuff, that's a lot of hogwash, as far as I'm concerned. It's not true at all.

MN: Were there - -?

GH: And this was a very irresponsible union, too. Very irresponsible. We had the United Auto Workers in Michigan and they were very tough to deal with as you can imagine, but when we would say, "No. If we do this we can't operate the plant, we might as well fold it up." Then the word would come out of Detroit to these union people in the upper peninsula, "Back off." They control. But the National of the United Furniture Workers is a very tricky guy, I don't think he's even in the job anymore, but, oh, he was very irresponsible person.

MN: Did he have an affect on what happened to you?

GH: No. We only dealt with the local guys, But if they had had strong leadership, you know, they could have stopped that strike in 56. Because if they were strong and responsible

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and properly educated and had the smarts up here they could see that management can't put up with what we were putting up with, paying that 100%, and when your giving them, the fac-, you're giving management 40% productivity.

MN: Why do you think the workers voted to have a union?

Why do you think they felt there was a need for one?

GH: Well, I wasn't around when they got in, but --

MN: Dick Greenwood was.

GH: --the government, Franklin D. Roosevelt, who I have very little respect for except for social security, he was promoting this stuff, you know, liberal goddamn politician, absolutely no experience in business, he was pushing this, that's one thing, he was encouraging it. And, I don't know, we had one foreman in the cabinet room, cabinet assembly room here, that was, I guess was a pretty rough, tough, tough cookie and maybe he was too. heavy handed with the employees that gave them a wedge to get in, see, and you're going to keep union out the plant, you, you, management representative on the shop floor, the foreman, the superintendent's got to be, got to know exactly what they're doing, they got to be operating the right way or they'll invite the union in. This guy apparently was not. It was a sign of the times, great big thing to get in, you know, I'm not gonna, all these guys, we're going to tell management off, we're going to tell them what to, where to go and all this stuff.

MN: Did they --?

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GH: Lot of, I can remember people when I first came back here out of the service and we're trying to straighten out a few things, one guy said to me one day, "Well, why does the company have to make a profit?" I mean, no education out of the school system through the 8th grade or through high school, they don't know anything about it. Why does the company have to make a profit?

MN: Did, did you have procedures set up to handle grievances?

GH: Oh, God, yes, we had --

MN: Before the union?

GH: --and that was a pain in the ass, too. All grievances, and they'd grieve over the Goddamnedest things you can imagine, yeah, oh, Jeez, I, I don't know how, how many files of that stuff I threw away last summer when I cleaned the place out. Yes, and we had employee suggestion systems and, you know, and Roosevelt was pushing a man--, labor management committees and we had those and they did, they keep pushing, get down to a ridiculous point where some guy said, "Well, there's a light out on the second floor to the third floor in Bldg. 11B, you know, have to, they'd expect to get \$5 or \$10 bucks for the suggestion. Well, it's important that the light, the light be on, you know, we don't want people falling down the stairs, but, I mean, what does that do for the productivity of the plant? You know, it got to be ridiculous. Finally, at the end, we just threw the whole suggestion system out, you got such a bunch of rubbish, and

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everybody expected to get paid for it, things that normally you just say to the foreman, "Hey, Joe, did you know the lights out on the stairs over there." Probably an electrician come in with a step ladder, and put in a new bulb. You know, the thing got to be ridiculous.

MN: Let, let me just ask you about one last thing and then I guess you have to go and so do I, but, who is, I hope I have his name right, who is Callahan?

GH: All right. He was a guy, well, when I did the recapitalization of the company to buy the stock back from Simplex, I, through, Ropes & Gray were the attorneys, we felt we needed a, a, an investment banker to try to help us get all the funds we needed to buy all this stock back. The banks would only loan so much short term money, but they felt we should have some long term money. So on Ropes & Gray suggestion we, we went to a guy named Peter A. Brook of T. A. Associates, it stands for Tucker-Anthony Associates, they're the capital venture division of Tucker-Anthony and R. L. Day and he's a very fine person and highly talented, he's a director of Wang and he was a director of Heywood-Wakefield Co. and many other companies, but there came a point in the middle 50's, the middle 70's, like '75, '76, when he was a director of so damn many companies he wanted to get off the boards of most of the companies he was on 'cause it was taking up too much of his time, he didn't have time to run his own business. And he ran that T.A. Associates. So he recommended to me a guy that he knew, that he had set up in business, named

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John C. Callahan, he'd be a good guy to come on to replace me, and he said, he'd probably be more help to you than, than I've been so I had him checked out by a lawyer at Ropes & Gray who did not check him out, in hindsight, as thoroughly as he should have checked him out, but on the other hand, Peter Brook had been in business with this guy, too, in fact he'd set him up in a business at one point.

MN: And he was going to manage the company for you?

GH: No, no, he came on first as a director of the company, and then after we folded Gardner, he, my brother retired to the Cape, where he is now, so we're operating just Tennessee And Manamane, and I had been president and chairman, and then, I got in a run in with Kirt Watkins son over at Simplex and I got moved up to Chairman of the Board, my brother came in as president, then my brother left, I came back in again as President, Chairman of the Board, and after '79 and then Callahan had talked, we had, were concerned about keeping the stock in pretty good hands even though we'd bought the Simplex stock back in, into the treasury. And there's a guy in New York that Callahan highly recommended named Harry Gittis, G-i-t-t-i-s. And he recommended that we, he would be a good guy to buy some stock that was becoming available on the market, the price was down real low. So we put him, so he bought the stock and a couple years later he wanted to come on the board. So he did. And he was not satisfied with the way I was running the company. This was a guy, of course, I

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wish I'd never heard of or seen or much less been involved with.

MN: This is Gittis?

GH: Gittis, yeah. And he pushed, and he wanted to take over the company and Callahan didn't want him to, because he had absolutely no experience in this kind of thing and he was a banker. So, the compromise was that Callahan came on as president of the company. By then, see the stock had been very depressed, like down to \$2, \$3, \$4, \$5, \$6 a share, and while stock had become available and I had let these guys know about it, Callahan bought a lot of stock and this guy Gittis had bought a lot of stock to the point where when this happened, Callahan and Gittis had more common stock in the company than I had and my brother had left and he'd sold his stock to Gittis, so it was a power play, they had more stock than I had and Gittis, who know nothing about running the company, wasn't satisfied with the way I was running it, the company then consisting of Newport, Tennessee and Manamane, so Callahan was made president of the company and I stayed on as Chairman of the Board of the company until the end and--

MN: Which was when, the official end?

GH: Well, it was in March of '81 we filed Chapter 11 and then Chapter 7 followed about two years later and that was the end so Chapter 11 meant that we were operating as debtor in possession and Callahan was running the company and he did a terrible job of it and there's nothing I could do about it and I tried to

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get Callahan removed but they had more stock than I did and what they did to me was reduced my company, they didn't fire me but they reduced my compensation 60% in one fell swoop and I got in a fight with this guy Callahan after we went into Chapter 11, which we did because we figured that the bank in New York, Irving Trust Co., and Barkley's Bank were two lenders then, were probably going to push us into it if we didn't do it ourselves, so we did it to protect ourselves. But then Callahan did such a lousy job of it, that, you know, we were just heading down the chute and then he, one day in Aug--. one night in August of '80--, I'm trying to think when it was, could have been '81, got a telephone call one night during dinner, Callahan had been found murdered in the back of his car in the Miami airport. Then it all came out which Peter Brook didn't know nor did the guy at Ropes & Gray who checked him out, nor did I know or my brother. This guy led a double life. He was mixed up, apparently, they've never solved this, but apparently he was involved with the Winter Hill gang in Dorchester, which is the Irish mafia. Not the, the Anguilo's in North Boston, this was the Irish mafia, not the Italian. And they've never solved his murder. It's a long story, I could take an hour to tell you the rest of the stuff about him. But I had no idea of this, nor did Peter Brook.

MN: And just, the plant in Gardner closed the end of ?

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GH: June, '79.

MN: June. That also must a very poignant moment.

GH: It was a very sad situation, yeah. It was. But we just had to face up to it, it was just, we saw no prospect of pulling the whole operation back into profitability. Had to face it.

MN: If people all---

GH: See, the thing happened progressively, you might say, but this operation, as I told you earlier, lost money from '56 to '71 and, and for four years it made money, but not enough to really, at least it was black, but that's about the best you can say for it.

MN: Do you know what point in the late '70's you knew the Gardner plant would have to close? I mean, ---

GH: No, we didn't face up to it until '79.

MN: Cause you didn't want to close that plant, did you?
I suppose because of the emotional connection.

GH: Oh, we didn't want to close it, no, I didn't want to close the plant. Well, we closed the whole division of the company, is what it amounted to, the furniture division, it wasn't just Gardner, it was Woodstock, New Brunswick, and Penyan, N.Y.

MN: All those went at the same time?

GH: Yeah, we sold the Penyan plant and we just the, well the financing for the Woodstock plant came from Canada and we just let it go.

MN: And you kept the Manamabee plant?

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GH: And Tennessee, yeah.

MN: OK.

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